MEDICLINIC SOUTHERN AFRICA

ANALYST PRESENTATION

SEPTEMBER 2014
AGENDA

Welcome and Introduction  Danie Meintjes
Time Line and Financial Results  Craig Tingle
Operational Overview  Koert Pretorius
Questions  All
TIME LINE AND FINANCIAL RESULTS
**SOUTHERN AFRICAN TIME LINE**

**DEVELOPMENT PHASE (1983-1994)**
- Commence development of Mediclinic Panorama (Cape Town) and other hospitals
- Acquisition of Mediclinic Sandton and Mediclinic Morningside (Johannesburg)
- Acquisition of Mediclinic Cape Town
- Listed on JSE in 1986

**ACQUISITION PHASE (1995-2004)**
- Acquisition of Medicor Group
- Acquisition of Hydromed Group
- Acquisition of Hospiplan Group
- Acquisition of Curamed Group
- Acquisition of Protector Group
- Hospital expansion projects

**GROWTH PHASE (2005 ongoing)**
- Conclusion of BEE transaction (2005)
- Beginning of international expansion (2006)
- Development of Mediclinic Cape Gate (Cape Town)
- Development of Mediclinic Midstream
- Hospital expansion projects
• Consistent revenue and EBITDA growth
• Stable EBITDA margin maintained
## FINANCIAL POSITION
### AT 31 MARCH 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>R’m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>8,295</td>
</tr>
<tr>
<td>Total interest-bearing debt</td>
<td>5,842</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2,418</td>
</tr>
<tr>
<td>Bank debt to EBITDA</td>
<td>2.4x</td>
</tr>
<tr>
<td>Substantial debt capacity available</td>
<td></td>
</tr>
</tbody>
</table>

Mediclinic Southern Africa
Analyst Presentation | September 2014
# Capital Expenditure and Maintenance

## 5 Year History

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansion capex</td>
<td>315</td>
<td>222</td>
<td>293</td>
<td>427</td>
<td>577</td>
</tr>
<tr>
<td>Replacements</td>
<td>194</td>
<td>224</td>
<td>230</td>
<td>249</td>
<td>308</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>210</td>
<td>236</td>
<td>274</td>
<td>276</td>
<td>289</td>
</tr>
</tbody>
</table>

![Graph showing capital expenditure and maintenance](MediclinicSouthernAfrica-AnalystPresentation-September2014-9.png)
OPERATIONAL OVERVIEW
# OPERATIONAL PROFILE

<table>
<thead>
<tr>
<th>Description</th>
<th>July 2014</th>
<th>March 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitals</td>
<td>52</td>
<td>52</td>
</tr>
<tr>
<td>Beds</td>
<td>7,663</td>
<td>7,614</td>
</tr>
<tr>
<td>Admitting specialists</td>
<td>2,345</td>
<td>2,305</td>
</tr>
<tr>
<td>Employees (permanent)</td>
<td>16,082</td>
<td>15,882</td>
</tr>
</tbody>
</table>

[Map of Mediclinic Southern Africa locations]
BUSINESS PERFORMANCE
2014 FINANCIAL YEAR

• 11% revenue growth, mainly driven by:
  - 5.9% increase in bed-days sold
  - 5.4% increase in average income per bed-day
• Stronger growth in medical patients
• Normalised EBITDA margin increased to 21.6%
• Strong cash flow
  - 105% of normalised EBITDA converted into cash generated from operations
• Licensed beds increased from 7 614 at year end to 7 663 by July 2014
• Bed occupancy level (calculated on operational beds) increased*
• Available capacity (difference between licensed and operational beds) amounts to 7% of licensed beds and is utilised for structured maintenance and expansion projects at hospitals

* Average occupancy rates are higher during the first part of the financial year due to the winter season
# BUILDING PROJECTS COMPLETED DURING FY2014

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Completed</th>
<th>Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mediclinic Klein Karoo (radiology expansion)</td>
<td>May 2013</td>
<td>-</td>
</tr>
<tr>
<td>Mediclinic Kloof (consulting rooms and parking)</td>
<td>May 2013</td>
<td>-</td>
</tr>
<tr>
<td>Mediclinic Louis Leipoldt (upgrade)</td>
<td>Jul 2013</td>
<td>-</td>
</tr>
<tr>
<td>Mediclinic Upington (staff accommodation)</td>
<td>Aug 2013</td>
<td>-</td>
</tr>
<tr>
<td>Mediclinic Swakopmund (expansion and upgrade)</td>
<td>Oct 2013</td>
<td>14</td>
</tr>
<tr>
<td>Mediclinic Lephalale (relocation)</td>
<td>Nov 2013</td>
<td>34</td>
</tr>
<tr>
<td>Mediclinic Limpopo (expansion and upgrade)</td>
<td>Dec 2013</td>
<td>38</td>
</tr>
<tr>
<td>Mediclinic Pietermaritzburg (expansion)</td>
<td>Mar 2014</td>
<td>80</td>
</tr>
<tr>
<td>Mediclinic Newcastle (expansion)</td>
<td>Mar 2014</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>178</strong></td>
<td></td>
</tr>
</tbody>
</table>
**BUILDING PROJECTS**
**IN PROGRESS: COMPLETE FY2015**

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Expected completion</th>
<th>Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mediclinic Midstream (new hospital)*</td>
<td>Mar 2015</td>
<td>176</td>
</tr>
<tr>
<td>Mediclinic Windhoek (expansion and consulting rooms)</td>
<td>Jun 2014</td>
<td>27</td>
</tr>
<tr>
<td>Mediclinic Howick (expansion and upgrade)</td>
<td>May 2014</td>
<td>22</td>
</tr>
<tr>
<td>Mediclinic Newcastle (expansion)</td>
<td>Nov 2014</td>
<td>34</td>
</tr>
<tr>
<td>Mediclinic Ermelo (expansion)</td>
<td>Oct 2014</td>
<td>20</td>
</tr>
<tr>
<td>Mediclinic Gariep (relocation)</td>
<td>Dec 2014</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>279</strong></td>
</tr>
</tbody>
</table>

* Previously referred to as Mediclinic Centurion
BUILDING PROJECTS
MIDSTREAM AND GARIEP

Mediclinic Midstream

Mediclinic Gariep
# BUILDING PROJECTS
## IN PROGRESS: COMPLETE FY2016

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mediclinic Worcester (expansion and upgrade)</td>
<td>22</td>
</tr>
<tr>
<td>Mediclinic Victoria (expansion and consulting rooms)</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43</strong></td>
</tr>
</tbody>
</table>

Mediclinic Worcester
REGULATORY ENVIRONMENT

• White Paper on National Health Insurance (NHI) still awaited, as well as draft NHI Bill
• Governmental task team established in Namibia to consider NHI – Mediclinic represented via National Association of Private Hospitals
• Office of Health Standards Compliance established and awaiting final norms and standards
• Certificate of Need provisions of National Health Act promulgated, but following intensive lobbying advised that these will be withdrawn
• E-Health policy and draft regulations on establishment of ministerial advisory committee published and comments submitted via Hospital Association

• Draft regulations on licensing of emergency health services published

• Draft Health Care Risk Waste Management regulations published

• Draft regulations on hospital licensing in the Free State published

• Namibian Competition Commission conference held on price fixing allegations against Namibian Association of Medical Aid Funds
• Final Terms of Reference, Statement of Issues and Participation Guidelines have been published and inquiry panel appointed

• MCSA in process of preparing submission with assistance of legal counsel and competition economists

• Statement of Issues contains 6 Theories of Harm, i.e. concept of harm resulting from anti-competitive behaviour:

  1. Market power and distortions in healthcare financing
  2. Market power and distortions in relation to healthcare facilities
  3. Market power and distortions in relation to healthcare practitioners
  4. Barriers to entry and expansion at various levels of the healthcare chain
  5. Imperfect information
  6. Regulatory framework
• Competition Commission invited submissions on 60+ issues, e.g.

1. Provide submissions on the impact, if any, of hospital concentration and possible market power at national, regional and local levels

2. Are there features in the sector that harm competition among private hospitals

3. Does market power arise from possible unilateral conduct and/or coordination of private hospitals

4. What is the impact of possible market power (of hospitals) on bargaining between hospitals and medical schemes/administrators
• Competition Commission invited submissions on 60+ issues, e.g.

5. What is the impact of possible market power (of hospitals) on costs

6. Provide submissions on (1) how hospitals compete with regards to investment in technology and attracting practitioners to their respective hospitals, (2) the regulatory requirements affecting entry and expansion, and (3) the implications of these for competitive outcomes

7. Provide submissions on (1) the component of costs, (2) the drivers of those costs, and (3) the determination of profits and whether these levels of profitability are consistent with a competitive and sustainable sector
Administrative timetable

• 31 October 2014 – closing date for submissions
• 1 November 2014 to 30 April 2015 – analyse information, questionnaires and requests for information, consultations, research
• 31 March 2015 – closing date of registration for oral submission
• 1 May to 31 July 2015 – public hearings
• August to September 2015 – prepare provisional report
• September 2015 – publish provisional report for comment
• October 2015 – receive comments on provisional report
• November 2015 – publish final report
• Manage and participate in ongoing regulatory developments
• Continue with growth strategy in line with 5 year plan
• Complete implementation of new operating model and organisational structure
• Complete roll-out of phase 1 of SAP Project and develop business case for phase 2
• Continue with roll-out of Workforce Management Project
• Continue with key strategic goal to grow and transform to a healthcare system provider
THANK YOU
MEDIA CLINIC KLOOF

5 September 2014
Riëtte Swart
AGENDA

• Location
• History & Expansions
• Licensed beds
• Theatres
• Centres of Excellence
• Disciplines
• Services
MEDICLINIC KLOOF
HISTORY & EXPANSIONS

- 2002 - opening June 2002 – 142 beds
- 2003 - convert 27 chairs to beds – 169 beds
- 2012 – open 36 additional beds – 205 beds
- 2012 - bought additional property (2722m²)
- 2013 - new parking deck (184 parking bays)
MEDICLINIC KLOOF
205 LICENSED BEDS

General wards: 88 beds

Surgical 1  – 30 beds
Surgical 2  – 34 beds (4 private rooms)
Medical     – 24 beds (1 private room)
Ambulatory  – 27 beds
Maternity ward: 12 beds

Caesarian theatre part of the maternity ward

Paediatric ward: 34 beds (15 private rooms – rooming in for parents)
MEDICLINIC KLOOF
205 LICENSED BEDS

Specialised beds:

- Neonatal ICU & HC: 11 beds
- Paediatric ICU & HC: 6 beds
- Adult ICU: 12 beds
- Adult HC: 15 beds
MEDICLINIC KLOOF THEATRES

10 Theatres (1 in Maternity; 1 in EC)
  2 Multi media
  2 Laminar flow

2 Scope procedure rooms (multi media)
Use for Gastroenterology
MEDICLINIC KLOOF
CENTRES OF EXCELLENCE

Gastroenterology
  ERCP
  Endo eco

Gynaecology
  Endoscopy surgery (endometrioses)

Paediatric surgery
General surgery
Paediatrics & Paediatric surgery
Gynaecology
Orthopedic surgery
Internal Medicine
Neurology & Neuro Surgery
Gastroenterology
Maxillo facial surgery
Ear, nose and throat surgery
Plastic surgery
Urology
MEDICLINIC KLOOF SERVICES

Pharmacy
Radiology
Pathology
Fertility clinic
Physiotherapy
Audiology
THANK YOU
MEDICLINIC INTERNATIONAL’S ANALYST AND INVESTOR DAY
05 September 2014

Agenda
Our Services
Our Facilities
Future Plans
Questions
Services
» Anesthesiology
» Dermatology
» Ear, Nose and Throat
» General Surgery
» Internal Medicine
» Maxillo-Facial and Oral Surgery
» Neurology
» Neurosurgery
» Nephrology
» Nuclear Medicine
» Obstetrics & Gynaecology
» Oncology
- Medical
- Radiation
» Orthopaedic Surgery
» Paediatrics
» Podiatry
» Plastic and Reconstructive Surgery
» Psychiatry
» Rheumatology
» Sport Medicine
» Urology

Supportive Services
» 24HR Emergency Centre
» Audiology & Speech Therapy
» Blood Bank
» Burns and Wound Care
» ER24 Ambulance Service
» HIV Clinic
» MRI and CT scan
» Neuro and Spinal Rehabilitation
» Occupational Therapy
» Orthotics & Prosthetics
» Pathology
» Radiology
» Retail Pharmacy
» Rheumatology and Pain Clinic
» Various therapists

MEDICLINIC
MUELMed

Multi-Disciplinary Hospital
222 beds & 8 Theatres
@ 577 Pretorius Street
Arcadia

Areas of Speciality
Emergency Centre
Neurotology surgery
Neuro & Spinal Rehabilitation
Our Hospital

Muelmed
- 165 beds
- 7 Theatres
- Emergency Centre

Astrid
- 57 beds
- Gym & Therapist rooms
Introduction

➢ Astrid Clinic - 1961
  ▪ Ground breaking initiatives in Pretoria
    • Private clinics
    • Open heart surgery
    • Theatre with 2 theatre operating lights

➢ Upgrade 2009
  ▪ Neuro & Spinal rehabilitation
  ▪ Gym & Therapsits
Introduction

- Muelmed – Opened May 1988

- More firsts in Pretoria
  - Full spectrum of surgery
  - Private cobalt radiation therapy
  - Private EC - 1993
  - Paraplegic patient - 1998
  - Teraplegic patient - 2002
Our Units

- Critical Care
- High Care
- Paediatrics
- Surgical
- Day Unit
- Medical
Neuro & Spinal Rehabilitation

- Various disabling conditions
- One stop patient care centre
- Multi-Disciplinary team
- Access to acute hospital services
Emergency Centre

- One Stop 24/7 Emergency Medicine Centre
- Managed by Emergency Physician
- Easy access from all major routes
- MR and CT scan
- Digital imaging facility
- Blood bank on-site
Theatres

- Neuro “Brain” Lab
- General Surgery
- Urology Suite
- Laminar flow
- Obstetrics
New Units

- Obstetrics
- Labour rooms
- Neonatal ICU
Future Plans

- Upgrade Theatres
- Expand NICU
- Additional
  - Beds
  - Parking
  - Consulting rooms
Thank you